

Used Car Discounts Hit Highest Level Year to Date

9 June 2026

Key Headlines

1. Recovering from the weakest month of the year in April, total sales rose to 221,323 in May, broadly in line with January and March.
2. Demand for electrified vehicles is building. Electrified vehicles accounted for approximately 16 per cent of all 1 to 5 year old used vehicle sales in May.
3. For the first time in 2026, more than half of all vehicles sold in May had their asking price reduced before the sale was made.
4. Average discounts reached their deepest level of the year at 3.4 per cent.

1. Market Snapshot

Australia's used vehicle market bounced back in May following a seasonal slowdown in April, with sales returning to levels seen earlier in the year despite continued pressure on vehicle pricing.

New data from the Australian Automotive Dealer Association (AADA) and AutoGrab shows 221,323 used vehicles were sold during May, up from 203,525 in April. At the same time, buyers continued to benefit from increased choice and stronger negotiating power, with more than half of all used vehicles sold after a price reduction.

2. Discounting Reaches Highest Level of 2026

May marked the first month this year where more than half of all used vehicles sold had their asking price reduced before sale.

The average discount on vehicles that required a price reduction reached 3.4 per cent, the highest level recorded in 2026.

Petrol and diesel vehicles both exceeded the 50 per cent discount threshold, while hybrids remained the most pricing-resilient fuel type. Less than half of all hybrids sold required a discount, and those that did attracted the smallest average price reductions.

According to AutoGrab's analysis, elevated vehicle supply following April's softer trading conditions has increased competition among sellers and placed downward pressure on asking prices.

KEY STATISTICS: AUSTRALIAN USED CAR MARKET, JANUARY TO MAY 2026

Total Sales (May)

221,323

Up 8.7% from April

Total For Sale (May)

339,728

Down slightly from 343,021 in April

Vehicles Sold with Price Drop

50.3%

First time above 50% in 2026 (1-5 years old)

Avg. Discount Depth (May)

-3.4%

Deepest in 2026 (1-5 years old)

Electrified Share of Market (May)

16%

(1-5 years old)

Hybrid RV% (May)

94.3%

Most resilient fuel type. Narrowest range of the year (1-5 years old)

EV and PHEV Discount Trend

Improving

Both segments requiring less price concession than start of year (1-5 years old)

PHEV RV% (May)

83.9%

Stable between 83.9% and 86.2% across the year (1-5 years old)

3. General Market Statistics

1. 221,323 vehicles sold in May, an 8.7 per cent increase on April.
2. 339,728 vehicles listed for sale in May, a slight decrease month on month.
3. Dealers accounted for 45.4 per cent of the sales for the month.
4. Average days to sell jumped out to 51.8 for May, the highest point for the year.

4. Reaction

"The increase in discounting reflects the strong level of competition in the used vehicle market at the moment. With plenty of stock available, buyers are in a good position to compare options and negotiate on price, while dealers continue to work hard to match vehicles with customers," said AADA CEO James Voortman.

"It's no surprise to see hybrids performing so strongly. With household budgets still under pressure, many consumers are looking for ways to reduce fuel costs, and hybrids offer a practical and proven solution," he said.

"May's rebound to 221,323 sales tells us April was a seasonal dip, not a change in underlying demand. Volumes came straight back to where they sat in January and March, which is exactly what we'd expect when buyers have stock to choose from and room to negotiate," said AutoGrab Chief Operating Officer Saxon Odgers.

"The discounting we recorded in May is a competitive supply story. When more than half of all vehicles sell below their asking price and cars are taking 51.8 days to move, the market is telling sellers there are more cars on the ground.

"Hybrids held their price while petrol and diesel both passed the 50 per cent discount mark, and that resilience is now showing up month after month," he said.

For further information please contact:

Ashleigh Sykes

Australian Automotive Dealer Association

E: asykes@aada.asn.au**M:** 0468 450 563**Paul Price**

AutoGrab

E: paul.price@autograb.com.au**M:** 0400 507 023

For more detailed market analysis beyond the national snapshot, including state-level insights and additional market segmentation, visit [AutoGrab AIR Pro](#) for further information.